

## Message Text

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ACTION EB-07

INFO OCT-01 ARA-06 ISO-00 FEA-01 AGRE-00 CEA-01 CIAE-00  
  COME-00 DODE-00 FRB-03 H-01 INR-07 INT-05 L-03 LAB-04  
  NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15 STR-04  
  ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01 FAA-00  
  DOTE-00 /081 W

-----240426Z 106160 /63

R 231255Z DEC 76  
FM AMEMBASSY BRASILIA  
TO SECSTATE WASHDC 9277  
INFO AMCONSUL RIO DE JANEIRO  
AMCONSUL SAO PAULO

C O N F I D E N T I A L BRASILIA 10476

E.O. 11652: GDS  
TAGS: ETRD, BR  
SUBJECT: BRAZILIAN RESTRICTIONS ON IMPORTS OF GENERAL  
AVIATION AIRCRAFT

REF: (A) STATE 295742 (B) BRASILIA'S A-122

1. SUMMARY. THIS MESSAGE CONTAINS EMBASSY'S COMMENTS ON TER-  
AGENCY GROUP'S CONCLUSIONS ON PROBLEM OF BRAZILIAN AIRCRAFT  
IMPORT RESTRICTIONS. END SUMMARY

2. EMBASSY IN CONSULTATION WITH CONGEN RIO AND COMMERCIAL  
COUNSELOR STATIONED IN SAO PAULO HAS REVIEWED PROPOSED  
APPROACH AND WISHES TO OFFER FOLLOWING COMMENTS:

(A) DATA BASE. WE WILL TRY TO DEVELOP SUCH INFOR-  
MATION AS IS OBTAINABLE ON:

(1) TYPES OF ACCEPTABLE AIRCRAFT ON A CATEGORY-  
?6-CATEGORY BASIS;

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(2) TYPES OF AIRCRAFT, WHICH HAVE QUALIFIED FOR  
IMPORT PERMITS IN THE PAST, AND INFERENCES THAT CAN  
BE DRAWN ABOUT CRITERIA USED BY GOB AUTHORITIES IN  
GRANTING THESE PERMITS;

(3) ESTIMATES OF WHAT TYPE OF AIRCRAFT AND PARTS/ACCESSO-

RIES MIGHT BE ACCEPTABLE IN THE FUTURE, GIVEN BRAZILIAN NEEDS, THE CAPABILITIES OF THE DOMESTIC INDUSTRY, AND GENERAL BALANCE-OF-PAYMENTS CONSIDERATIONS.

(A GENERAL DESCRIPTION OF THE STATE OF THE BRAZILIAN AIRCRAFT INDUSTRY AND SOME OF THE POSSIBLE IMPORT NEEDS IS CONTAINED IN REF. B.)

(B) INVENTORY OF IMPORT LICENSE APPLICATIONS. WE WILL EXAMINE FURTHER WHETHER SUCH AN INVENTORY CAN BE BUILT UP AND MAINTAINED, AS A WAY OF MONITORING, ON A CURRENT BASIS, BRAZILIAN IMPORT POLICY AND PRACTICES AND FACILITATE TIMELY REPRESENTATIONS WHEN APPROPRIATE. WE HAVE DOUBTS THAT THIS WILL BE POSSIBLE. WE EVIDENTLY CANNOT OBTAIN THE DATA FOR THIS FROM THE GOB, WHICH WOULD BE SEVERLY RESENTFUL OF ANY U.S. SUGGESTION OF A CONTINUOUS MONITORING/SURVEILLANCE SYSTEM. WE THUS WILL HAVE TO RELY ON THE COOPERATION OF U.S. EXPORTERS AND THEIR REPRESENTATIVES AND CUSTOMERS IN BRAZIL. THERE IS ALSO THE CAVEAT THAT RECENT CACEX APPROVALS DO NOT PROVIDE ASSURANCES THAT APPLICATIONS WILL BE APPROVED IN THE FUTURE--THE DOMESTIC INDUSTRY'S CAPABILITIES CHANGE, AND WIDESPREAD KNOWLEDGE OF GOB'S IMPORT RESTRICTIONS MAY DISCOURAGE MANY APPLICATIONS.

IT IS ALSO EXTREMELY DOUBTFUL THAT PIPER WILL COOPERATE, THUS MAKING THE COMPONENTS PORTION OF THE INVENTORY PARTICULARLY UNREPRESENTATIVE.

DESPITE THESE QUALIFICATIONS, WHICH WILL SERIOUSLY  
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DETRACT FROM THE UTILITY OF AN INVENTORY, WE WILL PROCEED AND TRY TO BUILD ONE UP IF THE DEPARTMENT DESIRES. IN ANY EVENT, IT IS LIKELY THAT ASSISTANCE, ON A CONTINUOUS BASIS, WILL BE REQUIRED FROM USDOC IN THE COMPILATION OF THESE DATA.

(C) DIALOGUE AND REPRESENTATIONS. WE BELIEVE A SOLID DATA BASE, SUCH AS PROVIDED BY (A), AND DETAILS ON CURRENT OPERATIONAL ISSUES, SUCH AS PROVIDED BY (B), WOULD PROVIDE US WITH THE INFORMATION TO CONTINUE A DIALOGUE WITH THE GOB ON ITS IMPORT POLICY IN THIS SECTOR. THIS, OF COURSE, DOES NOT, IN ANY SENSE, MEAN THAT USG SHOULD EXPECT QUICK AND EASY RESULTS. TO OBTAIN ANY MODIFICATION OF GOB DECISIONS, EVEN IN A VERY EARLY STAGE, WHETHER ON PARTICULAR APPLICATIONS OR FOR CATEGORIES OF AIRCRAFT, WILL BE, UNDER THE BEST CIRCUMSTANCES, EXCEEDINGLY DIFFICULT. THERE IS UNDOUBTEDLY ONLY LIMITED GIVE ON GOB SIDE, AND THERE HAVE BEEN VEILED-BU-POINTED APPEALS FROM BRAZILIAN SOURCES FOR USG NOT TO

FORCE THE ISSUE, PARTICULARLY IN VIEW OF THE VERY SUBSTANTIAL MARKET FOR U.S. AIRCRAFT COMPONENTS OF WHICH GOB AIRCRAFT INDUSTRY AUTHORITIES ARE CONSCIOUS.

IN THIS CONNECTION, IT SHOULD ALSO BE NOTED THAT THE GOB'S GENERAL AIRCRAFT POLICY IS NOT A SPECIAL POLICY BUT THAT THE POLICY FOR THIS SECTOR IS PART OF THE GOB'S ACROSS-THE-BOARD POLICY OF FOSTERING THE DEVELOPMENT OF IMPORT SUBSTITUTION INDUSTRIES. THIS POLICY NOT INFREQUENTLY DENIES TO POTENTIAL BRAZILIAN USERS PRODUCTS WHICH ARE NOT YET PRODUCED IN BRAZIL, BUT WHICH THE GOB WISHES TO PRODUCE HERE.

(D) SILVEIRA COMMENTS TO SECRETARY RICHARDSON. WE DO NOT BELIEVE THAT THE FOREIGN MINISTER'S COMMENTS, AT THE MEETING ON OCTOBER 4, CONSTITUTE A USEFUL BASIS FOR APPROACHES TO THE GOB. THE VIEWS EXPRESSED BY SILVEIRA (AS RECORDED IN USDO MEMORANDUM OF OCTOBER 8) WERE NOT CONFIDENTIAL

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ONLY ESSENTIALLY NON-COMMITTAL WITH RESPECT TO SPECIFIC ACTION BUT ALSO CLEARLY OF A PERSONAL NATURE, AND CANNOT, IN OUR VIEW, BE REALISTICALLY CONSTRUED AS REPRESENTING THE ELEMENTS OF AN "UNDERSTANDING" REACHED BETWEEN THE TWO CABINET OFFICERS. THE MOST THAT, IN OUR VIEW, CAN BE SAID IS WHAT THE AMBASSADOR SAID TO THE FOREIGN MINISTER ON DECEMBER 6 -- I.E., THAT WE ATTACH IMPORTANCE TO THE DISCUSSION BETWEEN SILVEIRA AND RICHARDSON AND THAT WE WOULD LIKE TO SEE THIS QUESTION RESOLVED. OUR OWN PREFERENCE, THEREFORE, WOULD BE TO APPROACH THE PROBLEM IN THE SEQUENCE OF A, B, AND C ABOVE, ESCALATING SPECIFIC ISSUES TO HIGHER POLITICAL LEVELS AS THE CIRCUMSTANCES MAY WARRANT. SUCH REPRESENTATIONS SHOULD INCLUDE OTHER MINISTRIES BESIDES THE MINISTRY OF FOREIGN RELATIONS WHICH HAS ONLY LIMITED INFLUENCE IN THIS POLICY AREA.

(E) INITIAL ROUND OF DISCUSSIONS. THE INITIAL APPROACH FORESEEN IN (C), ON THE BASIS OF THE INFORMATION DEVELOPED IN (A) AND (B) SHOULD BE:

--THE FOREIGN MINISTRY'S DIVISION FOR TRADE POLICY;  
--THE IMPORT POLICY COUNCIL; AND  
--THE AIR MINISTRY, INCLUDING, AS APPROPRIATE, THE CENTRO TECNICO AEROSPACIAL IN SAO JOSE DOS CAMPOS.

THESE DISCUSSIONS SHOULD REFER BACK TO THE SILVEIRA-RICHARDSON MEETING (WITHOUT MAKING, HOWEVER, THE INSUPPORTABLE CLAIM THAT A MEETING OF MINDS WAS REACHED ON THE ISSUE) AND THE EARLIER DISCUSSIONS IN THE SUB-

GROUP ON TRADE. THE FIRST ROUND OF CONSULTATIONS WITH  
THE GOB SHOULD BE COMPLETED IN TIME SO THAT ITS RESULTS  
CAN BE REVIEWED BY THE SUB-GROUP ON TRADE AT ITS NEXT  
MEETING IN WASHINGTON, SOME TIME NEXT SPRING OR  
EARLY SUMMER.

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3. UNLESS WASHINGTON  
AGENCIES PERCEIVE PROBLEMS,  
EMBASSY WILL PROCEED ON THIS BASIS.  
CRIMMINS

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** COMMERCIAL AIRCRAFT, IMPORT CONTROLS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 23 DEC 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976BRASIL10476  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
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**Office:** ACTION EB  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 4  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 STATE 295742, 77 BRASILIA A-122  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** GolinoFR  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 12 JUL 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <12 JUL 2004 by CunninFX>; APPROVED <13 JUL 2004 by GolinoFR>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** BRAZILIAN RESTRICTIONS ON IMPORTS OF GENERAL AVIATION AIRCRAFT  
**TAGS:** ETRD, EAIR, BR  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006